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DOS review completed

GENERAL

1. British and French views on Palestinian trusteeship--US Ambassador Caffery in Paris has learned that UK Foreign Minister Bevin has informed the French that the UK will neither follow the US on its 15 point proposal for a Palestinian trusteeship nor support the US suggestion that the US, the UK, and France jointly sponsor trusteeship and guarantee Palestinian security. The French, however, will support the US in any proposals in the UN General Assembly but will take no initiative in the matter.

Reported Soviet position on Palestine--The US delegation to the UN has learned that Soviet Delegate Gromyko informally told a US newspaper correspondent that: (a) the USSR will offer no proposals at the special General Assembly session; (b) if any security force in which the US and UK are to participate is established, the USSR will insist on inclusion; and (c) if the security force does not include US-UK forces, the Soviet Union will not seek participation.

2. Anti-Cominform police coordination proposed--A high official of the French Foreign Office has informed US Ambassador Caffery of a French note proposing to the western European union countries the coordination of anti-Cominform activities and the reciprocal exchange of secret service and counter-intelligence information among these countries. The French official expressed a hope that the US might later join in this exchange of information.

EUROPE

3. YUGOSLAVIA: Suspension of civil air operations--US Ambassador Cannon in Belgrade reports that the complete suspension of Yugoslav civil aviation operations on 7 April has not been explained by the Government. Pointing to the possibility that the Government may be mobilizing Yugoslav air transport for

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an Italian or a Greek contingency, Cannon urges "most strongly" that the US oppose the reported arrangement under which the Dutch airline KLM is now preparing to deliver six Douglas C-47 aircraft to the Yugoslav Government.

(CIA Comment: Yugoslavia has given numerous indications recently that it is actively planning expansion of its civil air operations outside of Yugoslavia. At the same time, there are indications that even the Satellite airlines of Czechoslovakia and Rumania are being excluded from the area west of Belgrade. CIA believes that, although there are no indications of an impending act of aggression by Yugoslavia, it is possible that the Government is planning an operation involving the use of its transport aircraft and is determined to allow no air observation of critical areas.)

4. **GERMANY:** Schumacher unable to return to public life-- US Political Adviser Murphy has been informed that Kurt Schumacher, leader of the German Social Democratic Party (SPD), is so seriously ill that he will not be able to return to public life. According to Murphy, German political observers believe that if Schumacher is forced to retire, he will probably be replaced provisionally by Erich Ollenhauer, present SPD second chairman, who is considered "colorless but an able organizer."

(CIA Comment: The removal of Schumacher's strong leadership will weaken and divide the Social Democratic Party and may even break the solid anti-Communist stand on which Schumacher has insisted.)

THE AMERICAS

5. **NICARAGUA:** Somoza threatens intervention in Costa Rica-- US Embassy Managua transmits the request of General Somoza that the US prevent Guatemala from fomenting revolutionary

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attempts against Nicaragua. Somoza told the Embassy that if Nicaraguan opposition forces in Costa Rica approach the Nicaraguan frontier, he will be forced to "cross and destroy them."

(CIA Comment: The imminent Costa Rican rebel victory, to which Guatemalan Government officials and Nicaraguan revolutionaries have contributed, would destroy the balance of power in Central America. Consequently, Somoza can be expected to take all possible diplomatic and conspiratorial measures to redress it.)

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